



General Assembly

February Session, 2004

Amendment

LCO No. 4253

SB0005604253SD0

Offered by:

SEN. FINCH, 22nd Dist.

SEN. MCKINNEY, 28th Dist.

REP. CARUSO, 126th Dist.

REP. STONE, 134th Dist.

To: Subst. Senate Bill No. 56

File No. 428

Cal. No. 330

"AN ACT CONCERNING MANDATORY OVERTIME IN HEALTH CARE FACILITIES."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Section 10a-186a of the general statutes is repealed and
4 the following is substituted in lieu thereof (*Effective from passage*):

5 (a) In connection with the issuance of bonds to finance a project at a
6 participating nursing home or to refund bonds previously issued by
7 the authority to finance a project at a participating nursing home, or in
8 connection with the issuance of bonds to effect a refinancing or other
9 restructuring with respect to one or more participating nursing homes
10 as permitted by subsection (b) of this section, or to finance dormitories,
11 residential facilities, student centers, food service facilities and other
12 auxiliary service facilities and related buildings and improvements at a

13 public institution of higher education, the authority may create and
14 establish one or more reserve funds to be known as special capital
15 reserve funds and may pay into such special capital reserve funds (1)
16 any moneys appropriated and made available by the state for the
17 purposes of such funds, (2) any proceeds of sale of notes or bonds for a
18 project, to the extent provided in the resolution of the authority
19 authorizing the issuance thereof, and (3) any other moneys which may
20 be made available to the authority for the purpose of such funds from
21 any other source or sources. The moneys held in or credited to any
22 special capital reserve fund established under this section, except as
23 hereinafter provided, shall be used solely for the payment of the
24 principal of and interest, when due, whether at maturity or by
25 mandatory sinking fund installments, on bonds of the authority
26 secured by such capital reserve fund as the same become due, the
27 purchase of such bonds of the authority, the payment of any
28 redemption premium required to be paid when such bonds are
29 redeemed prior to maturity, including in any such case by way of
30 reimbursement of a provider of bond insurance or of a credit or
31 liquidity facility that has paid such amounts; provided the authority
32 shall have power to provide that moneys in any such fund shall not be
33 withdrawn therefrom at any time in such amount as would reduce the
34 amount of such funds to less than the maximum amount of principal
35 and interest becoming due by reasons of maturity or a required
36 sinking fund installment in the then current or any succeeding
37 calendar year on the bonds of the authority then outstanding or the
38 maximum amount permitted to be deposited in such fund by the
39 Internal Revenue Code of 1986, or any subsequent corresponding
40 internal revenue code of the United States, as from time to time
41 amended, to permit the interest on said bonds to be excluded from
42 gross income for federal tax purposes and secured by such special
43 capital reserve fund, such amount being herein referred to as the
44 "required minimum capital reserve", except for the purpose of paying
45 such principal of, redemption premium and interest on such bonds of
46 the authority secured by such special capital reserve becoming due
47 and for the payment of which other moneys of the authority are not

48 available. The authority may provide that it shall not issue bonds
49 secured by a special capital reserve fund at any time if the required
50 minimum capital reserve on the bonds outstanding and the bonds then
51 to be issued and secured by the same special capital reserve fund at the
52 time of issuance, unless the authority, at the time of the issuance of
53 such bonds, shall deposit in such special capital reserve fund from the
54 proceeds of the bonds so to be issued, or otherwise, an amount which,
55 together with the amount then in such special capital reserve fund, will
56 be not less than the required minimum capital reserve. On or before
57 December first, annually, there is deemed to be appropriated from the
58 state General Fund such sums, if any, as shall be certified by the
59 chairman or vice-chairman of the authority to the Secretary of the
60 Office of Policy and Management and the Treasurer of the state, as
61 necessary to restore each such special capital reserve fund to the
62 amount equal to the required minimum capital reserve of such fund,
63 and such amounts shall be allotted and paid to the authority. For the
64 purpose of evaluation of any such special capital reserve fund,
65 obligations acquired as an investment for any such fund shall be
66 valued at market. Nothing contained in this section shall preclude the
67 authority from establishing and creating other debt service reserve
68 funds in connection with the issuance of bonds or notes of the
69 authority which are not special capital reserve funds. Subject to any
70 agreement or agreements with holders of outstanding notes and bonds
71 of the authority, any amount or amounts allotted and paid to the
72 authority pursuant to this section shall be repaid to the state from
73 moneys of the authority at such time as such moneys are not required
74 for any other of its corporate purposes and in any event shall be repaid
75 to the state on the date one year after all bonds and notes of the
76 authority theretofore issued on the date or dates such amount or
77 amounts are allotted and paid to the authority or thereafter issued,
78 together with interest on such bonds and notes, with interest on any
79 unpaid installments of interest and all costs and expenses in
80 connection with any action or proceeding by or on behalf of the
81 holders thereof, are fully met and discharged. No bonds secured by a
82 special capital reserve fund shall be issued to pay project costs unless

83 the authority is of the opinion and determines that the revenues from
84 the project shall be sufficient (A) to pay the principal of and interest on
85 the bonds issued to finance the project, (B) to establish, increase and
86 maintain any reserves deemed by the authority to be advisable to
87 secure the payment of the principal of and interest on such bonds, (C)
88 to pay the cost of maintaining the project in good repair and keeping it
89 properly insured and (D) to pay such other costs of the project as may
90 be required.

91 (b) Notwithstanding the provisions of subsection (a) of this section,
92 after June 4, 1998, no bonds secured by such a special capital reserve
93 fund shall be issued by the authority to finance a project at a
94 [qualified] participating nursing home, or to refund, refinance or
95 otherwise restructure bonds issued to finance a project at a [qualified]
96 participating nursing home, except for [refunding] bonds that meet the
97 following requirements: (1) [The refunding] Such bonds, which may be
98 bonds issued on a pooled or obligated group basis with respect to
99 more than one participating nursing home, must, at least in part,
100 refund , refinance or otherwise restructure bonds which are already
101 secured by a special capital reserve fund pursuant to this section; (2)
102 the state must be released from any obligation to restore [the] any
103 special capital reserve fund for the [refunded] bonds being refunded,
104 refinanced or otherwise restructured; and (3) the authority and the
105 State Treasurer and the Secretary of the Office of Policy and
106 Management must approve [the refunding] such bonds and must
107 determine that the aggregate [debt service on the refunding] liability of
108 the state with respect to such bonds will be less than the aggregate
109 [debt service on the refunded bonds and that the economic benefit
110 derived from the refunding will inure to the state. In the event of a
111 refunding undertaken in the context of a receivership, bankruptcy or
112 insolvency, any] liability of the state with respect to the bonds being
113 refunded, refinanced or otherwise restructured and that such
114 refunding, refinancing or restructuring is in the best interest of the
115 state. Any approval and determination by the authority, [and] the State
116 Treasurer and the secretary under subdivision (3) of this subsection

117 shall be in lieu of (A) the otherwise required opinion of sufficiency by
118 the authority set forth in subsection (a) of this section, and (B) the
119 approval of the State Treasurer and the documentation of the authority
120 otherwise required under subsection (a) of section 1-124, and may
121 provide for the waiver or modification of such other requirements of
122 subsection (a) of this section as the authority, the State Treasurer and
123 the secretary determine to be necessary or appropriate in order to
124 effectuate such refunding, refinancing or restructuring, subject to all
125 applicable tax covenants of the authority and the state. [Any other
126 refunding of outstanding bonds shall require such opinion, approval
127 and documentation.]"

This act shall take effect as follows:	
Section 1	<i>from passage</i>